

31A-17-402. Valuation of liabilities.

- (1) Subject to this section, the commissioner shall make rules:
 - (a) specifying the liabilities required to be reported by an insurer in a financial statement submitted under Section 31A-2-202; and
 - (b) the methods of valuing the liabilities described in Subsection (1)(a).
- (2) For life insurance, the methods of valuing specified pursuant to Subsection (1)(b) shall be consistent with Part 5, Standard Valuation Law.
- (3) Title insurance reserves are provided for under Section 31A-17-408.
- (4) In determining the financial condition of an insurer, liabilities include:
 - (a) the estimated amount necessary to pay:
 - (i) all the insurer's unpaid losses and claims incurred on or before the date of statement, whether reported or unreported; and
 - (ii) the expense of adjustment or settlement of a loss or claim described in this Subsection (4)(a);
 - (b) for life, accident and health insurance, and annuity contracts:
 - (i) the reserves on life insurance policies and annuity contracts in force, valued according to appropriate tables of mortality and the applicable rates of interest;
 - (ii) the reserves for accident and health benefits, for both active and disabled lives;
 - (iii) the reserves for accidental death benefits; and
 - (iv) any additional reserves:
 - (A) that may be required by the commissioner by rule; or
 - (B) if no rule is applicable under Subsection (4)(b)(iv)(A), in a manner consistent with the practice formulated or approved by the National Association of Insurance Commissioners with respect to those types of insurance;
 - (c) subject to Subsection (6), for insurance other than life, accident and health, and title insurance, the amount of reserves equal to the unearned portions of the gross premiums charged on policies in force, computed:
 - (i) on a daily or monthly pro rata basis; or
 - (ii) other basis approved by the commissioner;
 - (d) for ocean marine and other transportation insurance, reserves:
 - (i) equal to 50% of the amount of premiums upon risks covering not more than one trip or passage not terminated; and
 - (ii) computed:
 - (A) upon a pro rata basis; or
 - (B) with the commissioner's consent, in accordance with a method provided under Subsection (4)(c); and
 - (e) the insurer's other liabilities due or accrued at the date of statement including:
 - (i) taxes;
 - (ii) expenses; and
 - (iii) other obligations.
- (5) (a) Except to the extent provided in Subsection (5)(b), in determining the financial condition of an insurer of workers' compensation insurance, the insurer's liabilities do not include any liability based on the liability of the Employer's Reinsurance Fund under Section 34A-2-702 for industrial accidents or occupational diseases

occurring on or before June 30, 1994.

(b) Notwithstanding Subsection (5)(a), the liability of an insurer of workers' compensation insurance includes any premium assessment:

(i) imposed under Section 59-9-101; and

(ii) due at the date of statement.

(6) After adopting a method for computing the reserves described in Subsection (4)(c), an insurer may not change the method without the commissioner's written consent.

Amended by Chapter 306, 2007 General Session